

June 12, 2010

Jack Leutza
Director, Communications Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Request to publish Communications Division's proposed California High Cost Fund – B (CHCF-B) Expense Budget for FY 2011-2012 in the Commission's Daily Calendar.

Pursuant to Article 4.1. (a) of the Charter of the California High Cost Fund – B Administrative Committee (CHCF-B AC), the CHCF-B AC is charged to submit a proposed expense budget for the fiscal year 2011-12 by June 1, 2010.

Although we were unable to meet the June 1st due date, the CHCF-B AC met on June 9 to discuss the budget and other program matters. Because of conflict of interest issues for some AC members, we were unable to have a quorum to officially approve this budget. We are, however, sending you the Communications Division's proposed expense budget with the approval of AC members Robert Lehman (DRA representative) and Judith Walters (CBO representative), so that the public will have an opportunity to review and comment on it.

A handwritten signature in dark ink, appearing to read "Robert Lehman", with a stylized, cursive script.

Robert Lehman, Chairperson
California High Cost Fund – B Administrative Committee

Cc: Commissioners
Service List for R.09-06-019

CALIFORNIA HIGH COST FUND B ADMINISTRATIVE COMMITTEE FUND
PROPOSED PROGRAM EXPENSE BUDGET FOR FY 2011-12
All Amounts in (\$000)

Line	Program Expenses	Adopted Per Res T-17160 FY 2009-10	Adopted Per Res T-17211 FY 2010-11	Proposed FY 2011-12
Program Costs				
1	Carrier Claim Payments (Current) ¹	\$ 47,606	\$ 46,887	\$ 43,882
2	Carrier Claims for prior years	\$ -	\$ 1,000	\$ 700
3	Interest for Untimely Payments	\$ 1,000	\$ 1,000	\$ 1,000
4	Other Program Services			
5	Other Legislative Mandated Programs/Other Program Payments			
6	Audits	\$ 60	\$ 353	\$ 175
7	Banking Fees ²	\$ 30	\$ 15	\$ 19
8	Data Processing Automation ³	\$ 50	\$ 25	\$ 25
Administrative Committee Costs ⁴				
9	Administrative Committee-Per Diem	\$ 2	\$ 2	\$ 2
10	Administrative Committee-Travel	\$ 4	\$ 4	\$ 4
11	Administrative Committee- Other Expense	\$ 2	\$ 2	\$ 2
PUC Staff and Admin Costs				
12	Inter-Agency Fee ⁵	\$ 2,124	\$ 1,038	\$ 1,210
13	CPUC Staff and Administrative Costs ⁶	\$ 637	\$ 609	\$ 692
14	Total Program Expenses	\$ 51,515	\$ 50,935	\$ 47,711

Notes

- 1 Claim payments for FY 2011-12 are based on projections submitted by carriers in May 2010. Although the CHCF-B program is scheduled to sunset on January 1, 2012, the estimates are for the full year. The estimate includes Surewest EAS payments which will end on January 1, 2012 pursuant to Decision 07-09-002.
- 2 Based on estimated lockbox and other banking fees.
- 3 Based on estimated costs for SQL programming and maintaining the electronic filing and monitoring system.
- 4 Pursuant to D. 02-04-059, per diem and other costs are authorized for committee member attendance in the CHCF-B AC meeting. It is assumed that there will be 4 meetings of the CHCF-B AC during FY 2011-12.
- 5 Based on estimate of pro-rata costs allocated to state service agencies, e. g. DGS, State Personnel Board, etc.
- 6 Based on personnel staff allocation estimate and program priorities for the five public purpose programs but only includes CHCF-B p